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SUBJECT: CHINESE ALIEN SMUGGLING RING SMASHED IN COSTA RICA

11. SUMMARY: In a powerful display of honesty and courage, Costa Rican Immigration Director Mario Zamora refused a USD 2.5 million bribe from Chinese alien smugglers and instead assisted in a sting operation which caught the ringleader and six others on January 12, 2007. Most of the arrested are Chinese residents of Costa Rica who were apparently importing aliens to work as debt slaves in their Costa Rican businesses. Also detained was Nelson Garita Vargas, a staffer for the Legislative Assembly. The GOCR's investigation continues into Garita's role and possible involvement by current members of the legislature. This case demonstrates the brazen methods used by alien smugglers in Costa Rica. END SUMMARY

USD 5,000 PER HEAD  
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12. In November of 2006, ringleader Xiahong Tan met with Immigration Police Director Francisco Castaing to request the release of two Chinese nationals facing deportation. Xiahong offered USD 10,000 in exchange for Castaing's "assistance" with obtaining Immigration Director Zamora's approval for the release. Xiahong suggested that she had worked in similar fashion with officials from previous administrations. Castaing informed Zamora of the offer and Zamora agreed to meet with Xiahong after alerting his superiors and judicial investigators (OIJ).

13. Vice Minister for Public Security Rafael Gutierrez told us he was impressed by the counter-surveillance measures taken by Xiahong--indicative of the organization's sophistication and discipline. At the meeting, Zamora introduced an undercover OIJ agent to Xiahong as his confidant and insisted that there be no further meetings between Xiahong and himself. Xiahong told Zamora she would pay USD 5,000 per visa for up to 500 people (totaling USD 2.5 million). Zamora told Xiahong that it was too late to free the two Chinese facing deportation but he "agreed" to approve four visas once she provided USD 20,000 to the undercover officer posing as Zamora's confidant.

WORK WITH ME OR ELSE  
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14. In a subsequent meeting the money was paid and the four visas issued, after which investigation progressed quickly. Authorities identified several Chinese businessmen who were using Xiahong as an intermediary to buy visas, as well as her primary associate, Shufang Xie. According to the charges against her, Xiahong became more aggressive with each transaction, insisting that Zamora deal "exclusively" with

her organization and threatening his life if anything went wrong. Xiahong requested additional visas and told the undercover agent that had USD 200,000 to pay for them. When she was arrested on January 12, Xiahong had 33 Chinese passports in her possession. Subsequent raids on her house and other properties associated with the smuggling ring netted USD 140,000 in cash, photocopies of another 60 Chinese passports, and at least 10 illegal immigrants who are believed to have been trafficked as debt slaves to local Chinese businessmen by Xiahong's organization. In all, seven members of the ring are being held in preventative detention.

15. Investigators continue to probe the role of Nelson Garita Vargas. Vice Minister Gutierrez told us that at the time of his arrest, Garita was driving Xiahong to a meeting with the undercover agent. He also told us that Xiahong boasted to the undercover agent that she had contributed to several political campaigns and, as a result, had at least two legislators in her pocket. Garita has been a permanent staffer at the legislative assembly since 1994. He ran unsuccessfully for office on the Social Christian Union Party (PUSC) congressional ticket in 2006.

#### A LONG-RUNNING STORY

16. Attorney General Dall'Anese told reporters that the investigation revealed a modus operandi apparently long employed at Costa Rican Immigration. With the change of government this year, the traffickers were apparently trying to recruit new officials into their scheme. Supporting Dall'Anese's statement, local media reprised stories from 2001 which reported that Chinese traffickers were then offering legislators USD 5,000 per head for "assistance" in obtaining visas for Chinese immigrants and that at least 16 legislators had intervened with Immigration on behalf of 110 Chinese immigrants.

#### COMMENT

17. THE BAD NEWS: This case highlights the brazen methods still used by alien smugglers in Costa Rica and the large amounts of cash at their disposal to throw at often poorly paid GOCR officials. This case is also troubling for the light it sheds on potential connections to the Legislative Assembly. The fact that one of the parties in the Arias Administration's working coalition may be involved heightens the political significance. We will follow the investigation into Garita's activities closely.

18. THE GOOD NEWS: Although alien smuggling is not a new phenomenon in Costa Rica, this sort of successful operation is. There were no similar stings conducted during the Pacheco Administration, for example, while over 2,000 Chinese were issued visas to Costa Rica between 2003 and 2006. In our view, the case is most noteworthy for the courage and honesty displayed by Mario Zamora, Director of Immigration, who turned down a fortune and literally risked his life to do the right thing.

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